

Assembly Bill No. 798

CHAPTER 112

An act to add Sections 14132.94 and 14598 to the Welfare and Institutions Code, relating to health care.

[Approved by Governor July 23, 2003. Filed with
Secretary of State July 24, 2003.]

LEGISLATIVE COUNSEL'S DIGEST

AB 798, Committee on Aging and Long-Term Care. Medi-Cal: all-inclusive care for the elderly.

Existing law provides for the Medi-Cal program, administered by the State Department of Health Services, pursuant to which medical benefits are provided to public assistance recipients and certain other low-income persons. The Medi-Cal program is, in part, governed and funded by federal medicaid provisions.

Existing federal law establishes the Programs of All-Inclusive Care for the Elderly (PACE), which provides specified services for older individuals so that they may continue living in the community. Federal law permits states to implement the PACE program as a medicaid state option.

Existing state law authorizes the department to establish the California Program of All-Inclusive Care for the Elderly, and to contract with up to 10 demonstration projects to develop risk-based long-term care pilot programs.

This bill would establish PACE program services as a covered benefit of the Medi-Cal program, subject to utilization controls and eligibility criteria, as specified, and subject to approval by the federal Centers for Medicare and Medicaid Services of a medicaid state plan amendment electing the PACE program as a state medicaid option. It would authorize the department to enter into contracts with up to 10 PACE organizations to provide services under the PACE program.

The people of the State of California do enact as follows:

SECTION 1. Section 14132.94 is added to the Welfare and Institutions Code, to read:

14132.94. (a) Subject to approval by the Centers for Medicare and Medicaid Services of a medicaid state plan amendment electing the Programs of All-Inclusive Care for the Elderly (PACE) as a state medicaid option, as provided for by Subtitle I (commencing with



Section 4801) of Title IV of the Balanced Budget Act of 1997 (Public Law 105-33) and Part 460 (commencing with Section 460.2) of Subchapter E of Title 42 of the Code of Federal Regulations, PACE program services shall become a covered benefit of the Medi-Cal program, subject to utilization controls and eligibility criteria that require that the beneficiary be certifiable for nursing facility services based on Medi-Cal criteria.

(b) Covered services under the PACE benefit of the Medi-Cal program include those set forth in 42 C.F.R. 460.92.

SEC. 2. Section 14598 is added to the Welfare and Institutions Code, to read:

14598. (a) The Legislature finds and declares both of the following:

(1) The demonstration projects authorized by this article have proven to be successful at providing comprehensive, community-based services to frail elderly individuals at no greater cost than for providing nursing home care.

(2) Based upon that success, California now desires to provide community-based, risk-based, and capitated long-term care services under the Programs of All-Inclusive Care for the Elderly (PACE) as optional services under California's medicaid state plan and under contracts, entered into between the federal Centers for Medicare and Medicaid Services, the department, as the single state medicaid agency, and PACE organizations, meeting the requirements of the Balanced Budget Act of 1997 (Public Law 105-33) and Part 460 (commencing with Section 460.2) of Subchapter E of Title 42 of the Code of Federal Regulations.

(b) The department may enter into the contracts specified in subdivision (a) for implementation of the PACE program, and also may enter into separate contracts with the PACE organizations contracting under subdivision (a), to fully implement the single state agency responsibilities assumed by the department in those contracts, the provisions of Section 14132.94, and any other state requirement found necessary by the department to provide comprehensive community-based, risk-based, and capitated long-term care services to California's frail elderly. The department may enter into separate contracts specified in subdivision (a) with up to 10 PACE organizations. The department may not enter into any contracts specified in subdivision (a) unless a medicaid state plan amendment, electing PACE as a state medicaid option as provided for in Section 14132.94, has been approved by the federal Centers for Medicare and Medicaid Services.

(c) Notwithstanding subdivisions (a) and (b), any demonstration project contract entered into under this article prior to January 1, 2004,



shall remain in full force and effect under its own terms, but shall not be renewed or amended beyond the termination date in effect on that date.

(d) For purposes of this section, “PACE organizations” means those entities as defined in 42 C.F.R. 460.6.

